

# Investigation of Relationship between Management's Commitment to Service Quality and Organizational Consequences in Shiraz Shahid Beheshti Hospital

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## ABSTRACT

The present research investigates the relationship between management's commitment to service quality and organizational consequences among all employees of Shiraz Shahid Beheshti Hospital. Management commitment was measured by four variables: employees' participation, job satisfaction, customer's perception of service performance and customers' loyalty. Questionnaire was used for collecting data. After investigation of relationship between these variables and organizational consequences by means of SPSS software, we concluded that management commitment has a positive and significant influence on organizational consequences.

**KEYWORDS:** Management commitment, Service quality, Organizational Consequences

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## 1. INTRODUCTION

HRM is a managerial and supportive process in all large organizations and human resources are the main resources of an organization. Employees' commitment to an organization is an important factor in organizational success. Organizational commitment is an intangible asset. Presence of committed human resource can reduce absenteeism, delay and transfer and can increase organizational performance and employees' spiritual happiness. Therefore, over the past decade, organizational commitment has received a lot of attention by researchers. Services which are provided by employees reflect a vision of an organization. Provision of services with high quality is not considered as an optional competitive advantage which is used for differentiating from competitors but it is an important factor in organizational profitability and survival (Rouhi et al, 2008). As Boroun says, service quality is a powerful competitive weapon which is used by many leader service organizations. In fact, provision of high-quality services is a precondition for success of service organizations (Boroun, 2003).

Within the past few years, high-quality services provided for customers are considered as an instrument for achieving competitive advantages. Banks and other financial institutes are very sensitive to services they provide because of increase in customers' awareness. In order to maintain a long-term relationship between customers and banks, banks have to provide high-quality services (Tavanazadeh & Aligholi, 2014). For decades, a firm's value was measured by its properties, tangible assets, factories and equipment. However, they concluded that the real value of a company is somewhere outside the minds of potential purchasers (Heidarzadeh et al, 2011).

Concentration on customers' needs and proper response to their expectations is the main duty of all institutes. In this case, service institutes and organizations are more sensitive. Considering the fact that service is intangible, provision of high-quality service is a way for excelling competitors. High-quality services bring competitive advantage and results in higher sales and profits. In order to reach this target, it is enough to respond properly to customers' needs.

Service quality can contribute to differentiation from competitors and bring sustainable competitive advantage. Even in some production industries, service quality is more important than product quality. This requires the firm to have access to customers' needs. Conduction of research on customers' needs determines desirable products. Therefore, determination of the expected quality level is the main element of a firm's service quality management. The needs and expectations of a customer is determined by marketing unit and are considered in product design. In the present world, the main weapon is competition and the main instrument for survival is sustaining products and services quality (Shahrashoub, 2006). Quality management is in fact the way of managing future but it is important for managers to note that quality is something beyond services and products quality. Within the past few years, large corporations have been using a new management method called TQM in order to compete in international level and in order to reduce production costs and increase profitability. Total quality management (TQM) is a quality service and can help us with supplying products. For the Iranian case, total quality management can help Iranian products enter global markets. Considering the importance of quality and products' prices, Iranian firms have to pay especial attention to this matter and total quality management is efficient instruments which can help Iranian firms grow.

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On the other hand, the role of human factor is very important in this managerial system. Total quality management depends completely on organizational culture. Therefore, employees' qualitative commitment is an important target in total quality management. One of the mechanisms which mediate human resource functions and organizational performance in service industries is growing organizational commitment in employees (Arizi, 2009).

The present research aims to investigate relationship between management's commitment to service quality and organizational consequences in Shiraz Shahid Beheshti hospital. One main and four subsidiary hypotheses were investigated. In the next section, we deal with research literature and after that, we deal with research methodology. Then, we go to data analysis and finally the recommendations are proposed.

## **2. RESEARCH LITERATURE**

### **2.1. Service quality**

The present era is the age of unpredictable rapid changes and companies are confronted with the most serious competitive conditions due to factors like unclear borders of markets, fragmentation of markets, short product lifecycles, rapid changes in customers' purchase models and tastes and awareness of customers (Rahnama et al, 2012). Commercial success depends on creation of differentiated values in products by means of increasing quality in designing and producing values in effective manners. In this world, there are always some firms which can provide products with lower prices. Therefore, the effective strategy is maintaining customers via creation of quality-based values.

As service companies seek for unique competitive advantage resources, quality is an important potential option. Companies which become deeply quality-oriented are developed both in terms of internal culture and external fame and their procedures cannot be copied by competitors (Fiorito et al, 2007).

High quality in services is an important factor in long-term profitability not only for service companies but also for production firms and can help firms reach competitive advantage. Service quality is even more important than product quality in some production industries (Rego et al, 2008).

In any organization, whether a service or a production one, the main factor in organizational success is customers and if an organization is not successful in attraction of customers' loyalty and satisfaction, it has not guaranteed its long-term growth and survival (Vazifedooost, Rahnama and Mousavian, 2014). Customers' loyalty is of strategic importance for all firms. Customers' loyalty has received a lot of attention by managers and academicians (Haghighi et al, 2012). High-quality services help firms with improving organizational ability to satisfy customers' needs effectively. Furthermore, high-quality services result in purchase repetition and development of word-of-mouth advertisements. Another direct influence of service quality is increasing an organization's ability to provide services effectively for customers because the organization learn about customers' needs because and eliminate unnecessary services. As effectiveness and efficiency increase in service provision, organizational profitability will also increase (Ueltschy et al, 2007).

### **2.2. Management commitment to service quality**

Promotion of quality starts from managerial philosophy selection. In quality upgrade, selection of a managerial strategy is very important. First, senior organizational managers should select appropriate strategies. An alert selection of strategy can provide necessary energy for new organizational orientation. The influence of senior managers' commitment on organizational commitment and customers' satisfaction and on organizational performance is of great importance. Employees are empowered by education.

Boushaf and Allen (2000) believe that although senior organizational managers are distant from employees of operational levels, senior management's commitment to improvement of procedures and services is of great importance (Zimkeh, 1991). Management's commitment to service quality upgrade is necessary for conduction of works in better ways (Boushaf and Allen, 2000).

### **2.3. Evaluation of service quality by customers**

Before customers buy a service, they have some expectations about the quality of services. These expectations depend on personal needs, past expectations, recommendations and advertisements. After purchase and consumption, customers compare the expected quality with the perceived quality (Dehghan et al, 2012). If the services are in tolerability area, they will consider the service as appropriate. However, if the real quality is not appropriate and does not match customers' expectations, a quality gap of difference is created between service provider performance and customers' expectations (Liden et al, 2000).

Therefore, understanding of customers' needs is a precondition for better service provision. Customers compare their perceptions and expectations when they want to judge about company services.

**3.1. Research methodology**

The base of any branch of science is the methodology of study in that branch and the validity and value of the rules of any branch of science is based upon study methodology in that science. The present research is an applied research in terms of target. The main target of an applied research is not scientific discovery but is testing and investigating the possibility of using the knowledge (Ashrafi, 1995). Furthermore, the present research describes phenomenon. Therefore, it is a descriptive study. Since survey can be used to evaluate the features of a population, the present research is a survey-based descriptive study.

Data were collected by means of questionnaires. The questionnaire had 5 separate sections: organizational consequences, customers' understanding of services performance, job satisfaction, employees' participation and customers' loyalty). Finally, SPSS was used for data analysis.

**3.2. Statistical population and sample**

Statistical population refers to a group of individuals or objects which share a feature (Sarmad et al, 2011). Statistical population of the present research included all employees of Shiraz Shahid Beheshti hospital. Sample size was 118. Sample size was calculated by means of limited population sampling formula (formula 1). Formula 1.

**3.3 research conceptual model**

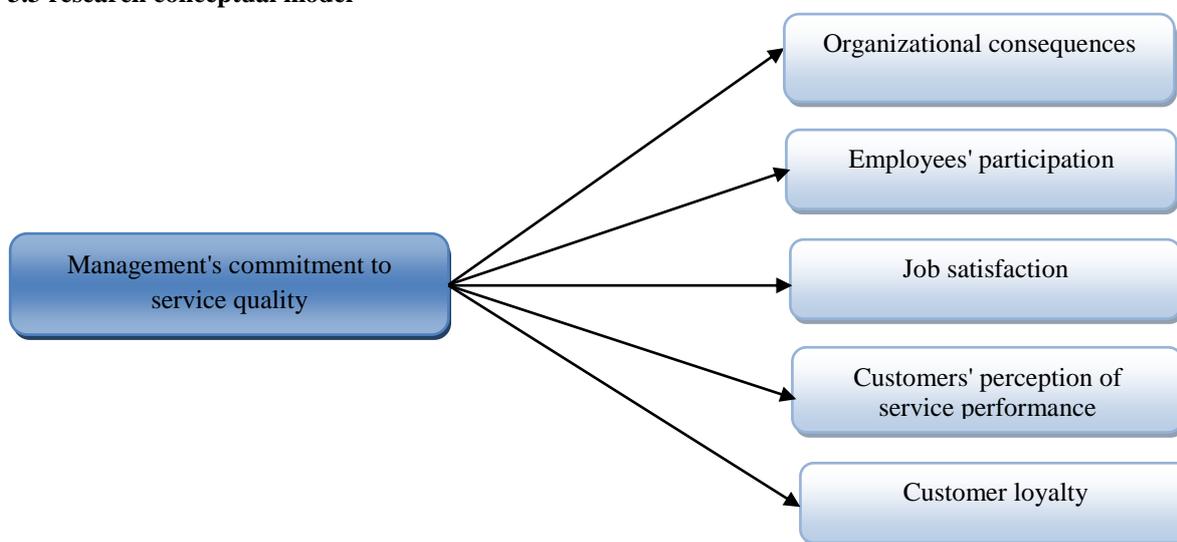


Figure 1. Research conceptual model

**4. Data analysis**

In order to investigate normality of data distribution, Kolmogorov-Smearnov test was used. This test investigates normality of data distribution in 95% certainty.

Table 1. Normality of distribution of research variables in 95% certainty

Normality	Calculated sig	significance	Number of samples	Index state
				<b>Indices under investigation</b>
Normal	0.436	0.05	115	<b>Management commitment to quality</b>
Normal	0.357	0.05	115	<b>Organizational consequences</b>
Normal	0.203	0.05	115	<b>employees' participation</b>
Normal	0.566	0.05	115	<b>Job satisfaction</b>
Normal	0.218	0.05	115	<b>Customers' perception of service quality</b>
Normal	0.511	0.05	115	<b>Customers' loyalty</b>

Considering the significance values obtained for different groups (and the fact that these values are all above 0.05), it can be said that zero hypothesis (normality of data distribution) is supported and therefore, the data have normal distributions.

In this section, we develop research hypotheses based on relationship between management's commitment to service quality and organizational consequences in Shiraz Beheshti Hospital.

Main hypothesis: there is a significant relationship between management commitment to service quality and organizational consequences in Shiraz Beheshti Hospital.

First subsidiary hypothesis: there is a significant relationship between management commitment to service quality and employees' participation in Shiraz Beheshti Hospital.

Second subsidiary hypothesis: there is a significant relationship between management commitment to service quality and job satisfaction in Shiraz Beheshti Hospital.

Third subsidiary hypothesis: there is a significant relationship between management commitment to service quality and customers' perception of service performance in Shiraz Beheshti Hospital.

Fourth subsidiary hypothesis: there is a significant relationship between management commitment to service quality and customers' loyalty in Shiraz Beheshti Hospital.

Table 2. Pearson correlation test between management commitment to service quality and research variables

Variables name	Correlation coefficient	significance(sig)	Significant relationship
Organizational consequences	0.581	0.004	supported
Employees' participation	0.413	00.03	supported
Job satisfaction	0.852	0.001	supported
Customers' perception of service performance	0.952	0.004	supported
Customers' loyalty	0.603	0.001	supported

## 5. Conclusion

The present research tried to find an answer for this question: whether management's commitment to service quality has significant relationship with organizational consequences in Shiraz ShahidBeheshti Hospital or not?

As it can be seen in table 1, all research hypotheses were supported using Pearson correlation coefficient test. In other words, employees' participation, job satisfaction, customers' understanding of service performance and customers' loyalty (dimensions of management's commitment to service quality) have direct impacts on organizational consequences (dependent variable).

Considering the results of the research, the authors would like to propose the following hints to increase management's commitment to service quality and organizational consequences:

1. Hierarchical leadership style should be turned into participatory style. This facilitates employees' empowerment and motivates them effectively.
2. Implementation of empowerment programs must be managed using integrated approaches (structural, motivational and cognitive).
3. Customer orientation should be taught to employees who have direct relationship with customers.
4. Firms should establish connection with customers and evaluate their satisfaction continuously via a system for measurement and monitoring of customers' satisfaction.
5. The number of missing customers should be calculated and its evaluation by means of cause and effect methods like Fish Bone method.
6. Employees' performance should be measured and evaluated and compared with performance standards and conduction of appropriate measures like encouragement and punishment and feedbacks and use of 360 degrees feedback.

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